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A REAL REA COOPERATIVE

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A real REA cooperative is first of all a community enterprise. It takes the combined efforts of all forward-looking people in a rural community to get it organized, to convince REA of the feasibility of making a 100% construction loan and to assure effective use of the electric distribution system when it goes into operation.

Electricity is a sign of progress. Electricity offers relief from back-breaking drudgery. It makes possible improved sanitation. It lengthens and enriches the leisure hours of the farm family. It cuts farm operating costs and increases farm income. It makes possible the development of rural industries with their promise of part or full-time employment of farm youth right in the rural community. It broadens the scope and raises the level of rural education. It lights the way to a more satisfying community life by permitting wider use of cultural and recreational facilities.

For all of these reasons it is the direct and unmistakable concern of any progressive rural community to give wholehearted support to the people's effort to develop an electric distribution system of their own with the help of the Government. You cannot have a real, effective REA cooperative without active community support. Such support is needed if the cooperative is to grow until it can serve every family in the community.

Being a community enterprise which is owned and controlled by the users themselves, it is obvious that an REA cooperative will be operated on a non-profit basis. Its purpose is not profits to investors, but service to its consumer-owners who are its members. All economies of operation and all savings will benefit the users exclusively.

Like every real cooperative, an REA cooperative is set up democratically. Each member has one vote, regardless of how much electricity he finds it profitable to use. The members elect from among themselves the board of directors or trustees to whom they are willing to entrust the management of the enterprise. It is up to each member to use his or her best judgment in electing a board. If the members don't bother to vote or don't take the trouble to elect a good board, the chances are that their cooperative enterprise will be managed indifferently or wastefully.

The functioning of an REA cooperative is governed by its bylaws. They are the bill-of-rights of the members and each member should not only have an up-to-date copy of the bylaws but should know what is in them. They regulate the calling of meetings, the nomination and election of directors or trustees, and the powers of the board. They define the duties and privileges of the members and, in general, determine the cooperative functioning of the enterprise.

The general policies are made by the members. The board is responsible for putting general policies into effect, for making special

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policies and rules and for securing efficient management. The board is an honorary body and does not receive money compensation. The knowledge of being honored with the privilege of serving the community is adequate compensation to a public-spirited man or woman.

The actual management is in the hands of a superintendent or manager who is employed by the board at a salary. He, in turn, hires a bookkeeper, a lineman and any other help needed. The employees are responsible to the manager, who is responsible to the board, which is responsible to the membership. If the members are dissatisfied with the management, it is their right to elect a board that will provide better management.

A good manager will not only make his staff function efficiently, but he and his staff will also be fully aware that they are working for a service cooperative and not for a profit company. They will go to some effort to inform themselves about cooperative principles and practices and to show a cooperative attitude in their dealings with the board and the members. It is part of their function to help the members understand the problems of this electric distribution enterprise, to help them in learning how to use electricity to their greatest benefit, and to enlist the cooperation of the members in any efforts that will improve service or lower the cost of operation or in other ways make the enterprise more successful.

The board is charged not only with the duty of supervising the management and controlling the financial affairs of the cooperative, but also with keeping the members informed about their enterprise and giving them periodical reports of its stewardship. In a really effective PEA cooperative, the Board and the management will work closely together in building up an informed and loyal membership that will actively participate in the development of the enterprise. Any board which fails to take the membership into its confidence or tries to run a cooperative enterprise without the active interest and support of the members is not worthy of its trust. Active membership participation and control is basic to the permanent well-being of any cooperative. In fact, it is the secret of cooperative success.

